DP/2000/CRP.5
30 November 1999

ORIGINAL: ENGLISH

First regular session 2000
24-28 and 31 January 2000
Item 4 of the provisional agenda
UNDP

FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS
COMPREHENSIVE REVISION OF THE FINANCIAL REGULATIONS AND RULES

Comparative table

The following table prepared by the United Nations Office of Legal Affairs (OLA), contains a comparison of the current UNDP Financial Regulations and Rules (UNDP/FIN REGS & RULES/Rev.1 and Rev.2) and the proposed new Financial Regulations and Rules (see DP/2000/4, annex) as well as relevant comments by OLA.

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A. APPLICABILITY Article I. APPLICABILITY	**A. APPLICABILITY** **Article 1. APPLICABILITY**	
Regulation 1.1: These Regulations shall govern the financial management of the United Nations Development Programme (UNDP) and shall, unless otherwise provided by the General Assembly or the Executive Board and except as specified in these Regulations and the annexes thereto, apply, mutatis mutandis, to all funds administered by UNDP.	Regulation 1.01: These Regulations shall govern the financial management of the United Nations Development Programme (UNDP) and shall, unless otherwise provided by the General Assembly or the Executive Board or as otherwise specified in these Regulations and the annexes thereto, apply to all resources administered by UNDP and to all the Funds and Programmes administered by the Administrator.	OLA has not yet reviewed the Financial Rules. OLA will review the Rules, once the Regulations are adopted.
Regulation 1.2: Amendments and exceptions to these Regulations may be made only by the Executive Board.	Regulation 1.02: Amendments and exceptions to these Regulations may be made only by the Executive Board, after review by the Advisory Committee on Administrative and Budgetary Questions.	
Regulation 1.3: These Regulations shall become effective on 1 January 1995.	Regulation 1.03: These Regulations shall become effective on 1 April 2000.	
Regulation 1.4: In regard to any matter not specifically covered by these Regulations, the appropriate provisions of the United Nations Financial Regulations shall, mutatis mutandis, apply.	Regulation 1.04: In regard to any matter not specifically covered by these Regulations, the appropriate provisions of the United Nations Financial Regulations shall apply.	
	Regulation 1.05: (a) Unless otherwise specified in (b) below, the UNDP Financial Regulations and Rules shall apply to all resources administered by the United Nations Capital Development Fund, by the United Nations Revolving Fund for Natural Resources Exploration, by the United Nations	The Annexes to the UNDP Financial Regulations and Rules have not yet been prepared.

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	Fund for Science and Technology for Development, by the United Nations Development Fund for Women and by the United Nations Volunteers programme. (b) Additions or amendments to the UNDP Financial Regulations and Rules, which shall be applicable to the United Nations Capital Development Fund and to the United Nations Revolving Fund for Natural Resources Exploration and which are necessary in order to take account of the special requirements of their operations, are contained in the relevant annex to the UNDP Financial Regulations and Rules; (c) The UNDP Financial Regulations and Rules are not applicable to the United Nations Population Fund, which operates under its own Financial Regulations and Rules as approved by the Executive Board. (d) The UNDP Financial Regulations are not applicable to the United Nations Office for Project Services, which operates under its own Financial Regulations, which are annexed to the UNDP Regulations and Rules.	
B. <u>DEFINITIONS</u> Article II. DEFINITIONS <u>Regulation 2. 1:</u> For the purpose of the Financial Regulations of UNDP, the following definitions of the main entities involved in the activities of UNDP shall apply: x x x x x x x x x x x x x x x x	**[B. <u>DEFINITIONS</u> Article II. DEFINITIONS]** [The whole Article II, Regulation 2.1 was moved to new Chapter H, Article 27 Regulations 27.01 to 27.02]	OLA recommends that this chapter be retained in the front of the Financial Regulations.

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C. ACCOUNTABILITY Article III. ACCOUNTABILITY Regulation 3.1: The Administrator of UNDP is fully responsible and accountable to the Executive Board for all phases and aspects of UNDP activities. Regulation 14.1: The Administrator shall: (a) Establish detailed financial rules and procedures in order to ensure effective financial administration and the exercise of economy, and circulate the Financial Rules to Members of the Executive Board for information at least 30 days before they become effective; Regulation 12.1: There shall be established a UNDP Account to which all of the income to UNDP derived from	**B. Accountability/2. Accountabiliity** **Chapter B: Accountability** Article 2: Accountability Regulation 2.01: The Administrator of UNDP is fully responsible and accountable to the Executive Board for all phases and aspects of UNDP activities. Regulation 2.02: (a) The Administrator shall issue detailed Financial Rules and procedures in order to ensure effective financial administration and the exercise of economy; the Administrator shall circulate the Financial Rules to the members of the Executive Board for information at least 30 days before they become effective; (b) The Administrator may amend the Financial Rules and shall circulate amendments to these Rules to the members of the Executive Board for information at least 30 days before they become effective; (c) The Administrator may, when he/she deems it necessary, suspend the application of any of these Financial Rules and shall circulate suspensions of these Rules to the members of the Executive Board for information as soon as they become effective. Regulation 2.03:: There shall be established UNDP Accounts to which all resources administered by UNDP and	

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the sources specified in Article IV and receivable in cash shall be credited and against which all expenditures on behalf of UNDP shall be charged, except for income and expenditures in respect of Funds, Programmes, other accounting entities and trust funds administered by UNDP Regulation 6.5: The financial period for the purpose of both proposed utilization of resources and the incurring of and accounting for expenditures in respect of the biennial budget shall consist of two consecutive calendar years (hereinafter referred to as biennium), the first of which shall be an even year.	receivable in cash shall be credited and against which all expenditures on behalf of UNDP shall be charged. Regulation 2.04: The financial period for the purpose of both the proposed utilization of resources and the incurring of and accounting for expenditures in respect of the biennial support budget shall consist of two consecutive calendar years (hereinafter referred to as a biennium), the first of which shall be an even year.	

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	Article 3: Internal Control	
Regulation 14.1: The Administrator shall: x x x x x x x x x x x (d) Maintain an internal financial control which shall provide for an effective current examination and review of financial, management and operational activities, in order to ensure:	Regulation 3.01: The Administrator shall maintain an internal financial control mechanism which shall provide for an effective current examination and review of financial, management and operational activities, in order to ensure:	
(i) The regularity of the receipt, custody and disposal of all (funds and other) financial resources of UNDP, funds administered by UNDP and non-UNDP funds managed by UNDP;	(a) The regularity of the receipt, custody and disposal of all financial resources administered by UNDP;	
(ii) The conformity of expenditures and commitments with the allocations, appropriations or other financial provisions decided upon by the Executive Board or with agreements with other United Nations organizations and other entities;	(b) The conformity of commitments and expenditures with the allocations, appropriations or other financial provisions decided upon by the Executive Board, with allocations decided upon by the Administrator or with agreements with other United Nations organizations and other entities;	
(iii) The effective and efficient management of UNDP and the effective, efficient and economic use of resources of UNDP, funds administered by UNDP and non-UNDP funds administered by UNDP.	(c) The effective and efficient management of UNDP and the effective, efficient and economic use of all resources administered by UNDP.	

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	Article 4: External Audit	
Regulation 17.1: The External Audit provisions of Article XII of the United Nations Financial Regulations have been annexed for information to these Regulations and shall, mutatis mutandis, apply to UNDP, except that:	Regulation 4.01: The External Audit provisions of Article XII of the United Nations Financial Regulations have been annexed to these Regulations and shall apply to UNDP, except that:	
(a) The reports of the Board of Auditors, together with the audited financial statements and the comments thereon of the Advisory Committee, shall also be transmitted to the Members of the Executive Board.	(a) The reports of the Board of Auditors, together with the audited financial statements and the comments thereon of the Advisory Committee, shall also be transmitted to the Members of the Executive Board;	
(b) Executing agencies which are organizations of the United Nations system shall transmit to the Administrator for submission to the Executive Board biennial accounts showing the status of funds allocated to them by the Administrator for the execution of UNDP activities. Such accounts shall bear audit certificates from the organizations' External Auditors and shall be accompanied by their reports, if any, and copies of any relevant resolutions adopted by their legislative or governing bodies; and	(b) Organizations of the United Nations system and the United Nations Office for Project Services, entrusted with the execution or implementation of UNDP programme activities shall transmit to the Administrator, for submission to the Executive Board, biennial accounts showing the status of funds allocated to them by the Administrator. Such accounts shall bear audit certificates from the External Auditors of the organizations and shall be accompanied by their reports, if any, and copies of any relevant resolutions adopted by their legislative or governing bodies;	
(c) In submitting the above biennial accounts to the Executive Board, the Administrator shall comment on the Auditors' substantive observations and on their follow-up.	(c) In submitting the above biennial accounts to the Executive Board, and as part of the comments submitted with the audited financial statements of UNDP, the Administrator shall comment on the Auditors' substantive observations and on their follow-up.	

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	Chapter C: Resources **Article 5: General framework**	
	Regulation 5.01: (a) The Administrator is responsible for mobilizing effectively and efficiently UNDP resources in furtherance of the mandate and activities of UNDP. (b) The Administrator may delegate authority, as appropriate, for the mobilization of resources.	
Regulation 4.1: Voluntary contributions may be accepted by UNDP from Governments of Member States of the United Nations, of the specialized agencies or of the International Atomic Energy Agency.	Regulation 5.02: Contributions may be accepted by UNDP from Governments of States Members of the United Nations, of the specialized agencies and of the International Atomic Energy Agency, as well as from those organizations and agencies. Contributions may also be accepted from any other intergovernmental, non-governmental, or private sector sources subject to such conditions and criteria as the Executive Board and the Administrator may establish.	
	Regulation 5.03: (a) The Administrator may indicate to the contributing party the currency or currencies required for UNDP activities.	
Regulation 4.15: (a) Contributions shall be denominated in United States dollars; however, the Administrator may accept payment in the local currency of the contributing Government or Governments to the extent the Administrator considers that such currency could be used to meet operational	(b) Contributions in cash shall be denominated in United States dollars; however, the Administrator may accept payment in the local currency of the contributing party to the extent the Administrator considers that such currency could be used to meet operational requirements.	This previously related only to cost-sharing and trust funds.

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requirements. Regulation 5.3 Contributions, other than those identified under Article IV, which are accepted for purposes specified by a donor shall be treated as trust funds.	Regulation 5.04: Should the Administrator agree to accept payment of a contribution in a currency other than United States dollars, the recorded contribution shall be adjusted by any consequent identifiable loss or gain on exchange, unless, in the case of loss, the contributing party agrees to reimburse it. Regulation 5.05: Where the purpose of the contribution is the general support of UNDP and no limitations are imposed by the contributor as to its use, the monies or in-kind provisions received shall be credited to the UNDP Regular Resources Account. Regulation 5.06: Where the contribution is for specific purposes consistent with the policies, aims and activities of UNDP, the contributions received shall be credited to the UNDP Other Resources Account and shall be treated under the provisions of Article 7, 8 or 9 below, as appropriate. Regulation 5.07: Contributions to other resources shall be subject to the following conditions: (a) Contributions shall be paid pursuant to an agreement made between the contributor and the Administrator; (b) Contributions shall be paid in advance of the allocation made for the implementation of	

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	planned UNDP programme activities, except as provided by Regulation 16.03 below; (c) Additional costs incurred by UNDP in administering the contribution shall be fully covered from the contribution.	
Regulation 4.15 (c) In case of default in making the payments required under (b) above, the IPF of the recipient country or the respective intercountry IPF shall be charged with those project costs which would otherwise have been financed from the cost-sharing contribution.	Regulation 5.08: In cases of default by a contributor of payment of part or all of a contribution to UNDP other resources, or in the case of unforeseen contingencies, the resources available for UNDP programme activities at the country level or at the respective regional level shall be charged with those costs which would otherwise have been financed from the contribution to other resources.	It is important that the agreement of the concerned programme country or countries be obtained before using the Regular resources to cover shortfalls on other resources for UNDP programme activities.
Regulation 4.13 The Administrator shall report annually to the Executive Board on contributions received from non-governmental sources.	Regulation 5.09: The Administrator shall report annually to the Executive Board on all contributions received from each contributor, including from non-governmental sources.	
Regulation 4.7 Entities headquartered in a net donor country which has contributed in a non-convertible currency shall be reimbursed for services and equipment purchased under the Programme only in the currency of that country where such a currency is accumulated and until such accumulation is used; conversely, if when utilizing a non-convertible contribution, costs are incurred in other currencies, these shall be reimbursed to UNDP in a convertible currency.	Regulation 5.10: Entities headquartered in a net contributor country which has contributed in a non-convertible currency shall be reimbursed for services and equipment purchased for the programme activities only in the currency of that country where such a currency is accumulated and until such accumulation is used; conversely, if when utilizing a non-convertible contribution, costs are incurred in other currencies, these shall be reimbursed to UNDP in a convertible currency.	

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Regulation 4.8 The Administrator shall report annually to the Executive Board on the nature of restrictions on the use of voluntary contributions and the extent to which such restrictions have affected the flexibility, efficiency and economy of UNDP operations.	Regulation 5.11: The Administrator shall provide annually information to the Executive Board on any difficulties encountered in fully utilizing the currencies available to UNDP, together with any additional information requested by the Executive Board on currency utilization.	
	Article 6: Regular Resources	
Regulation 7.1: The overall target for voluntary contributions for each planning period shall be established by the Executive Board, normally two years prior to the beginning of a new planning period.	Regulation 6.01: The overall target for voluntary contributions shall be established by the Executive Board.	
Regulation 4.3: Voluntary contributions may be pledged either on an annual basis or for a number of years.	Regulation 6.02: Voluntary contributions may be pledged either on a multi-year or on an annual basis.	
Regulation 4.4: Voluntary contributions shall be made without limitation as to use by a specific executing agency, in a specific recipient country or region, or for a specific project. No contributing Government shall receive special treatment with respect to its voluntary contribution, nor shall negotiation for the use of currencies contributed to UNDP take place between contributing and recipient Governments.	Regulation 6.03: Voluntary contributions and other contributions to regular resources shall be made without limitation as to use by a specific executing entity, in a specific programme country or region, or for specific UNDP programme activities. No contributing Government shall receive special treatment with respect to its voluntary contribution, nor shall negotiation take place for the use of currencies contributed to UNDP between contributing Governments and programme countries.	

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Regulation 4.5: Voluntary contributions shall be made in currencies which are readily usable by UNDP, consistent with the need for efficiency and economy of operations, or convertible to the greatest possible extent into currencies readily usable by UNDP.	Regulation 6.04: Voluntary contributions shall be made in currencies which are readily usable by UNDP, consistent with the need for efficiency and economy of operations. Regulation 6.05: Without prejudice to the annual pledging conference convened by the Secretary-General, a special UNDP funding meeting will be convened on an annual basis within the context of the second regular session of the UNDP/UNFPA Executive Board, at which voluntary contributions to UNDP regular resources will be formally announced. This funding meeting will be the time when all member States would: (a) Announce their voluntary contributions to UNDP as follows: a firm funding commitment for the current year; for those in a position to do so, a firm contribution or indication of the contribution for the following year; and a firm or tentative contribution for the third year; (b) Announce payment schedules for the current year, taking into account that early payments are encouraged; (c) Review the past payments of contributions to UNDP regular resources and government contributions to local office costs made in the previous calendar year as well as the timing of the payments.	

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	Article 7: Cost-sharing contributions to Other resources	
Regulation 4.14: The Administrator is authorized to enter into project, programme and/or third-party cost sharing agreements, provided these have been accepted by the recipient country or countries, subject to such principles as the Executive Board may establish.	Regulation 7.01: The Administrator is authorized to enter into cost-sharing agreements provided these have been agreed by the programme country or countries, subject to such principles as the Executive Board may establish.	
	Article 8: Trust Fund contributions to Other resources	
Regulation 5.1: Trust funds may be established by the Executive Board or by the Administrator for specified purposes consistent with the policies, aims and activities of UNDP. Trust funds which directly or indirectly involve additional financial liability for UNDP shall be established only by the Executive Board. Trust funds established by, the Administrator shall be reported in detail to the Executive through the Advisory Committee. Rule 105.1 The Administrator shall issue guidelines for the establishment and administration of trust funds.	Regulation 8.01: Trust funds may be established by the Executive Board or by the Administrator for specified purposes consistent with the policies, aims and activities of UNDP. Trust funds which directly or indirectly involve additional financial liability for UNDP shall be established only by the Executive Board. Regulation 8.02: The Administrator shall issue guidelines for the establishment and administration of trust funds. To ensure cost-effective administration of trust funds, the Administrator may determine a minimum contribution level below which he/she may refuse the establishment of a trust fund.	

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Regulation 5.4: The Administrator may establish trust funds at the request of the Secretary General to provide assistance in responding to resolutions of the Security Council or General Assembly. The Administrator will establish cost effective execution modalities for such trust funds, as appropriate, utilizing resources available in the United Nations system to the extent possible, and ensuring that all related costs are fully covered from the trust fund. The Administrator shall report on such trust funds to the Executive Board through the Advisory Committee.	Regulation 8.03: The Administrator may establish trust funds at the request of the Secretary-General to provide assistance in responding to resolutions of the Security Council or the General Assembly.	
Rule 104.8 The Administrator shall arrange for the collection from host Governments of their agreed contributions towards the costs of UNDP country offices. Negotiations with respect to the amount and/or form of such payments shall be in accordance with relevant Executive Board decisions and take into consideration the economic conditions of the countries concerned and may result in the granting by the Administrator of a partial waiver of contributions.	**Article 9: Other contributions and incomes** Regulation 9.01: Host Government contributions to the costs of UNDP country offices. (a) The Administrator shall arrange for the collection from host Governments of their contributions in cash and/or in kind towards the costs of UNDP country offices, in accordance with the agreements between the Administrator and the host Governments concerned. Negotiations with respect to the amount and/or form of such contributions shall be in accordance with relevant Executive Board decisions and take into consideration the economic conditions of the countries concerned and may result in the granting by the Administrator of a partial waiver of contributions.	

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	(b) Contributions in cash towards the costs of UNDP country offices shall be credited to the biennial support budget of UNDP.	
Regulation 4.9: Recipient Governments are expected to assist in defraying costs associated with UNDP-supported activities in their countries: (a) By making additional cash contributions as a separately identified part of their voluntary contributions to UNDP, at such levels as the Executive Board shall recommend, to assist in defraying local costs of a general nature associated with projects and which are payable by UNDP or its executing agencies;	Regulation 9.02: Programme country counterpart contributions (a) Programme countries shall assist in defraying costs associated with UNDP programme activities in their countries by making available, either in cash or in kind or both, a substantial part of the requirements necessary for the implementation of UNDP programme activities, except in cases of hardship. In the light of policies established by the Executive Board, the level, nature and timing of such contributions will be determined in agreement with the programme country or countries and will be described in the relevant project or programme support document. (b) Programme country counterpart contributions shall be credited to the UNDP Other Resources Account.	
Rule 114.27: (b) At the request of recipient Governments, UNDP may also provide management and other support services. In this connection, management and other support services shall mean a range of services, which may include procurement and full financial services, associated with the financing of activities by Governments, or intergovernmental or governmental organizations. Such activities shall be consistent with the policies, aims and	Regulation 9.03: At the request of programme countries, UNDP may provide management and other support services associated with the financing of activities by Governments, or intergovernmental or governmental organizations. Such management and other support services shall be consistent with the policies, aims and activities of UNDP. The income derived from the provision of such management and other support services shall be	

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activities of UNDP. Regulation 4.17 All income to UNDP shall be classified as miscellaneous income, except: (a) The income from the items specified in Regulations 4.1 through 4.16; (b) Direct refunds of expenditures in respect of projects during the approved duration of a project, i.e., before the final allocation for UNDP assistance to a project is made; (c) Direct refunds of expenditures in respect of the biennial budget during the current biennium; (d) Advances or deposits to funds; and (e) Revenue derived from the Staff Assessment Plan.	considered as income to UNDP. Regulation 9.04: Income other than contributions, direct refunds of expenditures in respect of programme activities or in respect of the biennial support budget during their approved period and revenue derived from staff assessments shall be classified as miscellaneous income.	
	Chapter D: Resource Planning and Financial Authorization Article 10: General Framework Regulation 10.01: (a) The Administrator is responsible and accountable for planning the use of UNDP resources and issuing financial authorizations effectively and efficiently in furtherance of the policies, aims and activities of UNDP; (b) The Administrator may delegate authority, as appropriate, for the planning of the use of	

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	UNDP resources and issuance of financial authorizations. Regulation 10.02: (a) UNDP shall have an integrated financial framework for the planning and management of regular resources that shall cover a fixed multi-year period; (b) This fixed multi-year financial framework period shall consist of four consecutive calendar years known as the "financial framework period"; (c) Within this financial framework period, and at least two years prior to the beginning of a new such framework, the Administrator shall submit to the Executive Board for its approval a distribution of UNDP regular resources in percentage shares among specific categories as defined in Regulation 11.01.	
Regulation 7.2: At least one year prior to the beginning of a new planning period, the Administrator shall submit to the Executive Board for its consideration a plan for the utilization of expected resources formulated within the framework set forth in Regulations 7.1 above, and 7.3 and 7.4 below. In cases where it would seem that the objective had been overestimated, the Executive Board would take the necessary measures to revise the overall target referred to in Regulation 7.1 above. Regulation 7.3: Subject only, to the maintenance on a continuous basis of the Reserves set forth under Article XII and for working capital, and after provision has been made for the biennial budget, all resources of UNDP shall be available to the maximum extent possible for programme activities, including reimbursement of related agency support costs.	Regulation 10.03: Subject only to the maintenance on a continuous basis of the reserves set forth under Article 25 and for working capital, and after provision has been made for the biennial support budget, all resources of UNDP shall be available to the maximum extent possible for programme activities, including reimbursement of related support costs.	

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Regulation 8.10: UNDP assistance to projects approved under Regulations 8.8 and 8.9 above shall be approved on a partially funded basis . . . Regulation 8.3: To provide for continuity in programming and project implementation, subject to such guidelines as the Executive Board may set forth, the Administrator is authorized to take such measures as are necessary to ensure a smooth transition from one IPF cycle to the next.	Regulation 10.4: Financial authorizations against UNDP regular resources shall be issued on a partially funded basis. Regulation 10.5: To provide for continuity in UNDP programme activities, subject to guidelines that the Executive Board may set forth, the Administrator is authorized to take the measures that may be necessary to ensure a smooth transition from one financial framework period to the next.	
Regulation 7.4: The Executive Board shall determine the distribution of resources available for programme activities as among country, regional, interregional and global IPF programmes, Special Programme Resources, and such other purposes as the Executive Board shall decide.	**Article 11: Programme activities: Distribution of resources** Regulation 11.01: Regular resources available for UNDP programme activities are distributed by the Executive Board in the following main categories: (a) Programme activities at the country level, including targets for resource assignment from the core, i.e., regular resources (hereinafter referred to as TRAC) 1 and 2, and TRAC-3 resources for countries in special development situations; (b) Programme activities at the regional level; (c) Programme activities at the global level;	

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	(d) Evaluation; (e) Technical cooperation between developing countries activities; (f) Support costs; (g) Support to the Resident Coordinator; (h) Other categories as may be established by the Executive Board. <u>Regulation 11.02</u>: The distribution of resources among the different programme categories may be changed only by the Executive Board on the basis of principles it shall have established.	
<u>Regulation 8.1:</u> In submitting his plan for resource utilization to the Executive Board, the Administrator shall propose for the Board's determination separate IPFs for each country and territory entitled to development assistance, for each region, for interregional and global programmes, and for each other category as may be entitled to an IPF under the decisions of the Executive Board. These IPFs shall be calculated using the criteria and methodology endorsed by the Executive Board.	<u>Regulation 11.03</u>: Percentage shares for programme countries, in the form of TRAC-1 and TRAC-2, shall be calculated using the criteria and methodology endorsed by the Executive Board, under the separate categories established by the Executive Board for programme activities at the country level.	There is no distinction between TRAC-1 and TRAC-2. OLA recommends that the Regulations distinguish between these two lines of financing.

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Regulation 8.7 : Consistent with the objectives set forth in intercountry programmes and country programmes, as approved by the Executive Board, the Administrator shall plan for the delivery of UNDP assistance to projects at rates expected to achieve the approved levels of the individual IPFs, subject to resources reasonably expected to be available. Regulation 8.4 : At the end of an IPF cycle, any unexpended balance of an individual IPF shall be available to the recipient of that IPF for expenditure in the next cycle; similarly, any over-expenditure in one cycle shall constitute a first charge against the respective IPF approved for the next IPF cycle.	Regulation 11.04: Consistent with the objectives set forth in the programme categories established by the Executive Board, the Administrator shall plan for the delivery of all UNDP programme activities at rates expected to achieve the targeted resource levels. Regulation 11.05: Subject to decisions that the Executive Board may make with regard to specific programme categories, at the end of a financial framework period, any unexpended available balance of resources assigned to a specific programme category shall in principle be available for the same respective category in the next financial framework period. Similarly, any overexpenditure in a specific category in a financial framework period shall constitute a first charge against the respective category in the next financial framework period.	
	Article 12: Programme activities: Resource assignment Regulation 12.01: (a) Within the regular resources distributed to programme countries and to regional and global programme activities, and taking into account anticipated other resources, the Administrator shall submit, on the basis of principles laid down by the Executive Board, cooperation frameworks for approval by the Executive Board;	

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	(b) Such cooperation frameworks may be established at the country, regional, or global level, as appropriate; (c) Cooperation frameworks shall each contain a resource mobilization table outlining the level of funding targeted from both regular and other resources for the entire planning period covered by the cooperation framework. <u>Regulation 12.02</u>: (a) The approval of a cooperation framework by the Executive Board forms the basis for subsequent allocation of UNDP resources towards the achievement of the development objectives specified in the framework. (b) Cooperation frameworks shall normally cover a planning period of three to five consecutive calendar years, taking into account national planning horizons and harmonized planning horizons of the United Nations system. (c) The Administrator may determine a TRAC-1 threshold below which the approval process of the country cooperation framework shall be simplified. The Administrator shall inform the Executive Board and those programme countries to which the simplified process is applied of this threshold.	
<u>Regulation 6.3:</u> To provide for continuity in the programming and implementation of UNDP assistance to projects, the financial period for the purpose of the proposed utilization of resources and of the	<u>Regulation 12.03</u>: To provide for continuity in the programming and implementation of UNDP programme activities, the financial period for the purpose of the proposed utilization of resources and of the	

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entering into commitments in respect of programme activities, as defined in Regulation 2.2 P (iv), shall be the duration of each project as specified in the project document. Regulation 4.16: Whenever the Executive Board has approved assistance on a reimbursable basis in respect of a country programme, the requesting Government shall reimburse the cost of such assistance to UNDP in accordance with an agreement to be concluded between UNDP and the Government concerned. Rule 108.2: The Administrator may expend annually for the interregional and regional programmes up to one-tenth of 1 per cent of the intercountry IPF for programme preparation and review, and for global programmes up to $125,000 on preparatory work in any given field, without further recourse in either case to Governments or to the Executive Board. The intercountry programmes prepared by the Administrator shall be submitted to the Executive Board for consideration and decision on their content.	entering into commitments shall be the duration of each UNDP programme activity. Regulation 12.04: Whenever the Executive Board has approved UNDP programme activities on a reimbursable basis, the requesting programme country Government shall reimburse the cost of such UNDP programme activities to UNDP in accordance with an agreement for this purpose concluded between UNDP and the programme country Government concerned. Regulation 12.05: The Administrator may expend annually up to one tenth of 1 per cent of the resources available for the regional and global cooperation frameworks for preparation and review of such cooperation frameworks without further recourse to Governments or to the Executive Board.	
Regulation 9.1 : The proposed biennial budget shall cover programme support and administrative services. It shall be prepared by, the Administrator and shall be related to the plan submitted for the current planning period or, should the biennium span more than one planning period, the current	**Article 13: Biennial support budget: Submission and approval** Regulation 13.01: The Administrator shall prepare the proposed biennial support budget, which shall cover programme support, management and administration of the organization, and support to operational activities of the United Nations. The proposed biennial support budget shall be	

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and the following period. Regulation 9.2: The biennial budget shall cover proposed expenditures and anticipated income related to the biennium and shall be presented in United States dollars. Regulation 9.3: The Administrator shall, in the second year of a biennium, submit his proposed biennial budget for the following biennium to the Executive Board. This proposed biennial budget shall be transmitted to all Members of the Executive Board at least six weeks prior to the opening of that session of the Board. Rule 109.2 (a) The biennial budget estimates shall be submitted to the Advisory Committee for comment prior to presentation to the Executive Board. (b) The proposed budget, together with the Advisory Committee report thereon, sha!l be considered for approval by the Executive Board in June of the year preceding the financial period to which the budget relates. (c) The approved budget and the related comments of the Advisory Committee shall be submitted to the General Assembly for information at the time the relevant annual report of the Executive Board is considered.	related to the current planning period. Regulation 13.02: The biennial support budget shall cover proposed expenditures and anticipated income relating to the biennium and shall be submitted in United States dollars. Regulation 13.03: The Administrator shall, in the second year of a biennium, submit the proposed biennial support budget for the following biennium to the Executive Board. This proposed biennial support budget shall be transmitted to all members of the Executive Board at least six weeks prior to the opening of that session of the Board. Regulation 13.04: (a) The biennial support budget estimates shall be submitted to the Advisory Committee for comment prior to presentation to the Executive Board. (b) The proposed budget, together with the Advisory Committee report thereon, shall be considered for approval by the Executive Board in September of the year preceding the biennium to which the budget relates. (c) The approved budget and the related comments of the Advisory Committee shall be submitted to the General Assembly for information at the time the relevant annual report of the Executive Board is considered.	

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Regulation 9.5: The Advisory Committee is requested to prepare a report to the Executive Board on the proposed biennial budget. This report shall be transmitted to all Members of the Executive Board as soon as it is available. Regulation 9.6: The Executive Board shall, in the second year of a biennium, adopt the biennial budget for the following biennium. Regulation 9.7: The proposed biennial budget shall be divided into programmes and programme components, and shall be accompanied by such information annexes and explanatory statements as may be requested by the Executive Board or as the Administrator may deem necessary and useful. Regulation 9.8: Supplementary proposals to amend the biennial budget may be submitted by the Administrator whenever necessary. Regulation 9.9: The Administrator shall prepare supplementary proposals to amend the biennial budget in a form consistent with the approved biennial budget and shall submit such proposals to the Executive Board. They shall also be submitted to the Advisory Committee which is requested to review them and report thereon to the Executive Board.	Regulation 13.05: The Advisory Committee is requested to prepare a report for submission to the Executive Board on the proposed biennial support budget. This report shall be transmitted to all members of the Executive Board as soon as it is available. Regulation 13.06: The Executive Board shall, in the second year of a biennium, adopt the biennial support budget for the following biennium. Regulation 13.07: The proposed biennial support budget, both for income and expenditure, shall be prepared in the form adopted by the Executive Board in relevant decisions on the harmonization of budget presentations. Regulation 13.08: The Administrator may submit supplementary proposals to amend the biennial support budget whenever necessary. Regulation 13.09: The Administrator, in preparing supplementary proposals to amend the biennial support budget, shall do so in a form consistent with the approved biennial support budget and shall submit such proposals to the Executive Board. They shall also be submitted to the Advisory Committee, which is requested to review them and report thereon to the Executive Board.	

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Rule 109.5: Subsequent to an Executive Board session in the second year of a biennium, the Administrator may utilize the budgetary contingency provision of 3 per cent of the approved gross appropriations for unforeseen requirements resulting from currency movements, inflations or decisions of the General Assembly. Such usage is subject to the prior concurrence of the Advisory Committee and shall be reported to the next regular session of the Executive Board.	Regulation 13.10: Subsequent to a session of the Executive Board in the second year of a biennium, the Administrator may utilize the budgetary contingency provision of 3 per cent of the approved gross appropriations for unforeseen requirements resulting from currency movements, inflation or decisions of the General Assembly. Such usage shall be reported to the Executive Board at its next regular session and to the Advisory Committee, which is requested to review it and report thereon to the Executive Board.	
Regulation 11.1: Appropriations for the biennial budget approved by the Executive Board shall constitute an authorization to the Administrator to incur obligations and to make payments for the purposes for which the appropriations were approved and up to the amounts so approved. Regulation 11.2: Appropriations for the biennial budget shall be available for obligation during the biennium to which they relate. Regulation 11.3: Appropriations shall remain available for 12 months following the end of the biennium to which they relate to the extent that they are required to discharge any outstanding legal obligation of the biennium. The balance of the appropriations shall revert to the UNDP Account.	**Article 14: Biennial support budget: Appropriations** Regulation 14.01: Appropriations for the biennial support budget approved by the Executive Board shall constitute an authorization to the Administrator to incur obligations and to make payments for the purposes for which the appropriations were approved and up to the amounts so approved. Regulation 14.02: Appropriations for the biennial support budget shall be available for obligation during the biennium to which they relate. Regulation 14.03: (a) Appropriations shall remain available for 12 months following the end of the biennium to which they relate to the extent that they are required to discharge any outstanding legal obligation of the biennium. The balance of the appropriations shall revert to the UNDP Regular Resources Account.	

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Regulation 11.4: At the end of the 12-month period provided in Regulation 11.3 above, the then remaining balance of any appropriations retained will revert to the UNDP Account. Any unliquidated obligations of the biennium in question shall at that time be cancelled or, where the obligation remains a valid charge, transferred as an obligation against current appropriations. Regulation 11.5: Transfers between the appropriation lines for the biennium may be made by the Administrator with the concurrence of the Advisory Committee, subject to such limits as the Executive Board may specifically decide.	(b) Any unliquidated obligations of the biennium in question shall at that time be cancelled or, where the obligation remains a valid charge, transferred as an obligation against current appropriations. Regulation 14.04: Transfers between the appropriation lines for the biennium may be made by the Administrator, subject to such limits as the Executive Board may specifically decide, with the concurrence of the Advisory Committee.	
	Article 15: Support services Regulation 15.01: The Administrator is authorized to provide a range of support services consistent with the policies, aims and activities of UNDP. These services may include: (a) Support to activities financed by organizations within the United Nations system; (b) Support services to national execution and execution by other entities, and to the implementation of UNDP programme activities, within the parameters established by the Executive Board.	

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	Regulation 15.02: he Administrator is authorized to make adequate arrangements with organizations which are within the United Nations system for reimbursement of costs incurred by UNDP in support of activities financed by such organizations. Regulation 15.03: The Administrator is authorized to make adequate arrangements with the programme country Government, executing entity, or organization of the United Nations system, as appropriate, for reimbursement of costs incurred by UNDP for support services to national execution and/or to the implementation of UNDP programme activities.	
Regulation 8.8: The Executive Board shall have sole authority to approve UNDP assistance to global projects. Regulation 8.9: Under such limits as the Executive Board may from time to time prescribe, the Administrator is authorized to approve UNDP assistance to country, regional and interregional projects.	**Chapter E: Utlilization of Resources by Executing Entities** **Article 16: General Framework** Regulation 16.01: The Executive Board shall have sole authority to approve, within the limits of resources allocated, UNDP programme activities, a proposal for which the Executive Board or the requesting Government has specifically asked the Administrator to submit to the Executive Board. Regulation 16.02: Under such limits prescribed by the Executive Board and within the limits of resources allocated for UNDP programme activities, the Administrator is authorized to approve UNDP programme activities at the country, regional	

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	and global levels. Regulation 16.03: (a) The Administrator may authorize, on an exceptional basis and with the agreement of the programme country or countries, advances of resources prior to the receipt of expected contributions to other resources, to the extent that such advances in the event of default could be covered by the regular resources available for programming under the respective country, regional or global cooperation framework. (b) Exceptions made by the Administrator to start activities in advance of the receipt of contributions shall be documented. Those exceptions for which contributions have not been received at the end of any calendar year shall be reported to the Executive Board on an annual basis.	
Regulation 8.10: UNDP assistance to projects approved under Regulations 8.8 and 8.9 above shall be approved on a partially funded basis consistent with the provisions of Regulation 8.7 above and shall be subject to the following arrangements for project implementation: (a) Agreements shall be entered into between UNDP and individual Governments, specifying the general terms and conditions which are to govern UNDP's assistance to projects in their respective countries;	Regulation 16.04: UNDP programme activities shall be subject to the following arrangements: (a) Agreements shall be entered into between UNDP and individual programme country Governments, specifying the general terms and conditions which are to govern UNDP programme activities in their respective countries and territories; (b) Arrangements for the establishment and financing of UNDP programme activities shall be subject to the agreement between the programme country or countries and UNDP, in the form of a project document or programme	

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	support document.	
Regulation 17.2: The Administrator shall ensure that Governments which are executing agencies, and other parties selected for project implementation under Regulation 8.10 (e), shall require their auditors to follow, to the extent feasible, the audit principles and procedures prescribed for the United Nations in respect to funds obtained from or through UNDP and shall ensure that each project is audited at least once in its lifetime and shall submit audit reports together with the reports specified in the project document and under Article XV of these Regulations.	Regulation 16.05: The Administrator shall ensure that, except for organizations of the United Nations system, executing entities shall require auditors to follow the audit principles and procedures prescribed for the United Nations in respect of resources obtained from or through UNDP and shall ensure that each UNDP programme activity is audited at least once in its lifetime, or as otherwise required pursuant to the relevant agreements governing such programme activity.	
Regulation 15.1: The administration by executing agencies of funds obtained from or through UNDP shall be carried out under their respective financial regulations, rules, practices and procedures to the extent that they are appropriate. Where the financial governances of an executing agency do not provide the required guidance, those of UNDP shall apply.	Regulation 16.06: (a) The administration by executing entities of resources obtained from or through UNDP shall be carried out under their respective financial regulations, rules, practices and procedures only to the extent that they are appropriate. (b) Where the financial governance of an executing entity does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, that of UNDP shall apply. Regulation 16.07: The Administrator shall establish, from time to time, criteria determining which UNDP programme activities executed by entities other than organizations from the United Nations system are to be audited biennially. Such	See comments regarding Article 21 and "best value for money".

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	criteria shall be made available to the Board of Auditors.	
Rule 108.14: (a) In consultation with and with the agreement of the recipient Government, the Administrator shall designate a single executing agency for each project. With the agreement of the recipient Government and UNDP, the designated executing agency may associate one or more other agencies with it in the implementation of such project. (c) All designations shall be conditional upon the existence of a signed executing agency agreement or other agreed arrangement between UNDP and the entity concerned.	**Article 17: Designation, selection and termination of the executing entity** Regulation 17.01: (a) In consultation with and with the agreement of the programme country Government, the Administrator shall select a single executing entity among the designated entities for each specific UNDP programme activity. With the agreement of the programme country Government and UNDP, the selected executing entity may associate one or more other entities with it in the implementation of UNDP programme activities. (b) The selection of an executing entity shall be conditional upon the existence of a signed agreement or other arrangement between UNDP and the entity concerned, specifying the terms and conditions which are to govern the UNDP programme activities for which that entity has been selected. (c) The Administrator may delegate authority, as appropriate, for the selection of executing entities and the oversight of their performance. Regulation 17.02: National execution shall be the norm for UNDP programme activities, taking into account the capacities of programme countries and the nature of UNDP programme activities.	

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Regulation 8.10: (b) Agreements shall be entered into between UNDP and executing agencies which are organizations of the United Nations system, specifying the general terms and conditions which are to govern UNDP's assistance to projects for which that organization has been designated as an executing agency;	Regulation 17.03: Where national execution is found not to be appropriate, consideration in the selection of an executing entity shall be given to organizations of the United Nations system, and the United Nations Office for Project Services.	
Regulation 8.10: (e) The Administrator may, subject to the agreement of the requesting Government or Governments, contract for the services of other agencies, private firms or individual experts in the execution of projects and assign projects to a governmental, intergovernmental, or organization not part of the United Nations system, or to UNDP itself, if the entity meets the following conditions: (i) it has the ability to: reach and mobilize local associations and groups at the local level; interpret and communicate national policy, goals and strategies at the local level; and ensure project sustainability beyond the funding period; (ii) it has technical and/or scientific capacities not available in the United Nations system; (iii) it has special qualifications for building collective decision-making systems which are respectful of local customs and traditions; (iv) it has the capacity to strengthen the	Regulation 17.04: The Administrator may also select for the execution of UNDP programme activities an intergovernmental entity not part of the United Nations system or a non-governmental entity, provided that it has operational and managerial capacity, can provide the needed services in a cost-effective manner, and can ensure its responsibility and accountability to the Administrator. Regulation 17.05: The Administrator may select UNDP as executing entity only when it can be demonstrated that such a step is essential to safeguard the full responsibility and accountability of the Administrator for the effective delivery of UNDP programme activities.	OLA has previously advised that NGO execution was authorized by the Board on a pilot basis only in 1997, when the Board took note, in DP/1997/12, para. 143, of UNDP's conference room paper (DP/1997/CRP.8) proposing to use NGO execution on a pilot basis. The authority to carry out NGO execution on a general basis should be obtained. Current Regulation 8.10(e) does not provide a basis for NGO execution, but merely authorizes use of NGOs under contract, which is different from using NGOs as executing entities, as reflected in the NGO Execution Procedures.

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capacities of local organizations in areas essential to the promotion of sustainable human development; (v) it has special qualifications for bringing about dialogue and partnership arrangements between the government and the local community; and (vi) it has proven operational and managerial capacity and the ability to provide the needed services in a cost-effective manner and ensure its accountability to the Administrator. (f) Executing agencies authorized by the Executive Board may be reimbursed for their support costs up to levels determined by the Executive Board. <u>Regulation 8.10:</u> (e) The Administrator may, subject to the agreement of the requesting Government or Governments, contract for the services of other agencies, private firms or individual experts in the execution of projects and assign projects to a governmental, intergovernmental, or organization not part of the United Nations system, or to UNDP itself, if the entity meets the following conditions: <u>Rule 108.20:</u> (a) The Administrator may, by written notice to the Government and the executing agency, under the terms and conditions of UNDP's basic agreement with such party, suspend UNDP assistance to a project if any circumstance arises which in his opinion	<u>Regulation 17.06</u>: (a) The Administrator may, by written notice to the Government and the executing entity, under the terms and conditions of the UNDP agreement with such party, suspend UNDP programme activities if any circumstance arises which in his/her opinion interferes or is likely to	

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interferes or is likely to interfere with the successful completion of the project or the accomplishment of its purposes. (b) If such circumstance continues for a period of 14 days after written notice of such suspension to the recipient Government and the executing agency, the Administrator may, by written notice to the same parties: (i) terminate UNDP assistance to the project; or (ii) terminate the executing agency's execution of UNDP assistance thereto and, with the Government's consent, take over such execution or entrust it to another executing agency.	interfere with their successful completion or the accomplishment of their purposes and results. (b) If such circumstance continues for a period of 14 days after written notice of such suspension to the programme country and the executing entity, the Administrator may, by written notice to the same parties: (i) terminate UNDP programme activities or (ii) terminate the execution by the executing entity of UNDP activities in the country and, with the consent of the Government, take over such execution or entrust it to another executing entity.	
	Article 18: Financial oversight of the executing entity functions	
Regulation 10.1: The project budget covering UNDP's assistance to the project, as contained in an approved project document, shall constitute the allocation of funds by the Administrator to the executing agency implement UNDP's assistance to the project. For the purposes of Regulation 10.2 below, the project budget shall be presented in annual segments. Regulation 10.2: An allocation by the Administrator, which authorizes the incurring of expenditures and the entering into of commitments, shall constitute a ceiling on expenditures for the current year and on commitments for future years in connection with UNDP's assistance to the project for which the allocation was made.	Regulation 18.01: The budget covering UNDP programme activities, as contained in an approved document, shall constitute the allocation of resources by the Administrator to the executing entity and the authorization to incur expenditures and enter into commitments. Regulation 18.02: The budget covering UNDP programme activities shall be presented in annual segments and shall constitute a ceiling on expenditures for the current year and on commitments for future years in connection with UNDP programme activities for which the allocation was made.	

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Rule 108.9: Individual global projects approved by the Executive Board may be revised without further reference to the Executive Board, after appropriate consultations with the parties involved in the preparation of such projects, provided that the major development objectives of those projects remain unchanged and only limited financial adjustments are involved. Regulation 15.3: To ensure the uniformity and usability of data required for UNDP management purposes, the Administrator is authorized, after consultation with the executing agencies, to specify the basis, content and periodicity of reports on funds obtained from or through UNDP which are to be submitted by executing agencies. Regulation 15.2: Each executing agency shall maintain such accounts and records as are necessary to enable it to report on the financial status of funds obtained from or through UNDP, including in particular the balance of recorded allocations, expenditures and commitments.	Regulation 18.03: UNDP programme activities approved by the Executive Board may be revised without further reference to the Executive Board, after appropriate consultations with the parties involved in the preparation of such UNDP programme activities, provided that the major development objectives of those UNDP programme activities remain unchanged and only limited financial adjustments are involved. Regulation 18.04: To ensure the effective management of resources allocated to executing entities, the Administrator is authorized to specify in the relevant agreements with such entities, the basis, content and periodicity of reports on funds obtained from or through UNDP which are to be submitted by executing entities. Regulation 18.05: Each executing entity shall maintain such accounts and records as are necessary to enable it to report on the financial status of funds obtained from or through UNDP, including in particular the balance of recorded allocations, expenditures and commitments. Regulation 18.06: Organizations of the United Nations system participating in the support cost arrangements may be reimbursed for their support costs associated with the implementation of UNDP programme activities up to levels determined by the Executive Board.	

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Regulation 8.10: (f) Executing agencies authorized by the Executive Board may be reimbursed for their support costs up to levels determined by the Executive Board.	Regulation 18.07: Entities other than organizations of the United Nations system participating in the support-cost arrangements may be authorized by the Administrator to be eligible for reimbursment of the costs they have incurred in implementing UNDP programme activities, based on estimates of actual costs.	
Rule 108.17: In the case of the executing agencies whose levels of annual delivery do not exceed $15 million and which are United Nations Specialized Agencies or the International Atomic Energy Agency, the Administrator shall negotiate with each such executing agency the level of UNDP's support cost reimbursement which shall in principle correspond to the agency's actual support costs, subject to the following conditions: x x x x x x x x x x x x		
Regulation 10.3: An allocation shall be available for expenditure and for commitment for the duration of the project to which it relates. Following project completion, the project budget shall be revised to reflect actual expenditure incurred and shall constitute the final allocation for UNDP's assistance to the project. The balance of the allocation shall revert to the respective IPF.	Regulation 18.08: (a) Following completion of UNDP programme activities, the balance of the allocation between actual expenditure and the allocation shall revert to the respective source of resources;	
Regulation 10.4: The final allocation for UNDP's assistance to a project made under the provisions of Regulation 10.3 above shall remain available for the period of time required to discharge any outstanding	(b) The final allocation shall remain available for the period of time required to discharge any outstanding legal obligation for UNDP programme activities to which it relates.	

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legal obligation of the project. When all legal obligations against the final allocation have been discharged, any balance shall revert to the UNDP Account and shall be classed as miscellaneous income.		
Regulation 8.12 The Administrator is authorized to incorporate micro-capital grant support in association with technical cooperation programmes. Such micro-capital assistance may be in the form of small grants, credits or loans implemented through an intermediary which includes non-governmental or grass-roots organizations.	**Article 19: Grants** Regulation 19.01: The Administrator is authorized to incorporate grants, for purposes consistent with the policies, aims and activities of UNDP and with the agreement of the programme country or countries, to governmental and non-governmental organizations, including civil society organizations, but excluding commercial and other for-profit entities, into UNDP programme activities and is responsible for establishing appropriate rules and procedures for the application of the grant modality.	
Regulation 14.2: Expenditures for the current year and commitments for future years shall be incurred only after allocations for programme activities, allotments in respect of the biennial budget or other appropriate authorizations have been	**Chapter F: Utilization of Resources by UNDP** **Article 20: General Framework** Regulation 20.01: Expenditures for the current year and commitments for future years shall be incurred only after allocations for UNDP programme activities, allotments in respect of the biennial support budget or other appropriate	

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made in writing under the authority of the Administrator.

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	Article 21: Procurement of Goods and Services	
Rule 114.17: (a) The Assistant Administrator, Bureau for Finance and Administration, shall be responsible for all procurement functions of UNDP in respect of headquarters and country office activities, projects which UNDP itself executes, and any other activity or service undertaken by UNDP as may be authorized by the Executive Board. (b) The procurement functions of UNDP shall cover, inter alia, activities necessary for the purchase, rental, or sale of goods, services, and other requirements such as works and property, including realty.	Regulation 21.01: The Administrator is responsible and accountable for carrying out the procurement functions of UNDP effectively and efficiently in furtherance of its mandate and activities. (a) The procurement functions include all actions necessary for the acquisition, by purchase or lease, of property, including products and real property, and of services, including works; (b) The Administrator may delegate authority, as appropriate, for such procurement functions.	"Best value for money" is a new general principle. OLA recommends that a definition or explanation be included. In connection with Regulations 21.01, 21.02 and 24.01, and the Rules thereunder, concerning procurement and assets management, OLA understands that a commentary is being prepared by the Common Services Working Group on Procurement to provide explanations of the regulations and rules proposed by the Working Group. OLA suggests that the commentary, once finalized, be distributed to the Executive Board.
Rule 114.18: The following general principles shall be given due consideration in carrying out the procurement functions of UNDP under these Rules: (a) Economy and efficiency; (c) International soliciting of proposals and competitive bidding to allow prospective proposers and bidders fair and equal opportunities to provide those goods, services and other requirements being sought by UNDP; (b) The interests of the UNDP programme;	Regulation 21.02: The following general principles shall be given due consideration when exercising the procurement functions of UNDP: (a) Best value for money; (b) Fairness, integrity and transparency; (c) Effective international competition; (d) The interest of UNDP.	

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(d) The utilization of currencies available to UNDP and which require special management; (e) Preferential treatment to be accorded to sources of those supplies indigenous either to the country being assisted or to other developing countries; and (f) Equitable geographical distribution consistent with maximum effectiveness.		
Regulation 14.1: The Administrator shall: (c) Designate the officers who may receive moneys, incur obligations or commitments and make payments on behalf of UNDP; (b) Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received, and that payments have not previously been made;	**Article 22: Verification for payments** Regulation 22.01: The Administrator shall: (a) Designate the staff who may verify that payments may be made on behalf of UNDP; (b) Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received, and that payments have not previously been made.	

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Regulation 14.3: The Administrator may make such ex gratia payments not exceeding $40,000 as he deems to be necessary in the interest of UNDP, provided that a statement of such payments shall be submitted to the General Assembly and the Executive Board with the accounts.	**Article 23: Ex-gratia payments** Regulation 23.01: The Administrator may make such ex gratia payments not exceeding $50,000 as he/she deems to be necessary in the interest of UNDP, provided that a statement of such payments shall be submitted to the General Assembly and the Executive Board with the financial statements.	
Rule 114.34: Technical and other equipment, non-expendable materials, supplies and other property financed or provided by UNDP shall belong to UNDP unless and until such time as ownership thereof is transferred, on terms and conditions mutually agreed upon between the Government and UNDP, to the Government or to an entity	**Chapter G: Administration of Resources** **Article 24: Assets Management** Regulation 24.01: The Administrator is responsible and accountable for managing the property of UNDP effectively and efficiently in furtherance of its mandate and activities. (a) The management of property includes all actions necessary for its receipt, custody, maintenance and disposal; (b) The Administrator may delegate authority, as appropriate, for such management of property. Regulation 24.02: Non-expendable equipment and other property financed or provided by UNDP shall belong to UNDP unless and until such time as ownership thereof is transferred, on terms and conditions mutually agreed upon between the programme country and UNDP.	

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nominated by it. Ownership of equipment may be transferred at any time after its arrival in the country being assisted and shall be effected by the resident representative after consultation with the executing agency concerned.		
Regulation 13.1: The Secretary-General shall act as custodian of UNDP funds and shall designate the bank or banks in which such funds shall be kept. Regulation 13.2: The Secretary-General may delegate to the Administrator such authority with respect to custody of funds as would facilitate the efficient and effective management of UNDP funds and such delegated authority may be accepted by the Administrator in writing. Regulation 14.1: (c) Designate the officers who may receive moneys, incur obligations or commitments and make payments on behalf of UNDP; Regulation 12.4: Working capital shall be provided from the cash resources of the UNDP Account.	**Article 25: Cash management** Regulation 25.01: The Administrator, under the authority delegated by the Secretary-General as custodian of all funds, is responsible and accountable for the effective and efficient management of cash resources in UNDP custody. (a) Cash management includes all actions necessary for receipt, deposit, advance, investment and disbursement of cash, including the designation of banks and opening of bank accounts; (b) The Administrator may delegate authority, as appropriate, to staff for such cash management. Regulation 25.02: The Administrator shall designate the staff who may receive and/or disburse moneys. Regulation 25.03: Working capital shall be provided from the cash resources of the UNDP Accounts.	

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Regulation 13.5: Account being taken of the objectives and policies of UNDP and the special requirements of its operations, including liquidity, moneys not required immediately may be placed mainly in short-term instruments by the Secretary-General, in consultation with the Administrator. Regulation 13.6: Notwithstanding the provisions of Regulation 13.5 above and within limits and under terms established by the Executive Board, funds may be placed in the form of participation in development loans by international or regional development banks or in loans provided under the terms and conditions of the Reserve for Construction Loans to Governments set forth in Regulation 12.2(b). *Regulation 12.2:* Within the UNDP Regular Resources Account, the following reserves shall be established at levels set by the Executive Board: (a) An Operational Reserve, the purpose of which is to guarantee the financial viability and integrity of UNDP. The Reserve shall be fully funded and held in irrevocable and promptly available liquid assets. The elements to be compensated for and covered by it shall be limited to: (i) Downward fluctuations or shortfalls in resources; (ii) Uneven cash flows;	Regulation 25.04: Taking into account the objectives and policies of UNDP and the special requirements of its operations, including liquidity, moneys not required immediately may be placed in liquid fixed-term instruments by the Administrator. Regulation 25.05: Notwithstanding the provisions of Regulation 25.04 above, and within limits and terms established by the Executive Board, UNDP funds may be placed in the form of participation in development loans by international or regional development banks, or loaned under the provisions of the Reserve for Field Accommodation. Regulation 25.06: Within the UNDP Accounts, the following reserves shall be established at levels set by the Executive Board: (a) An Operational Reserve, the purpose of which is to guarantee the financial viability and integrity of UNDP. The Reserve shall be fully funded and held in irrevocable and promptly available liquid assets. The elements to be compensated for and covered by it shall be limited to: (i) Downward fluctuations or shortfalls in resources; (ii) Uneven cash flows;	

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(iii) Increases in actual costs as compared to planning estimates or fluctuations in delivery; and (iv) Other contingencies which result in a loss of resources for which UNDP has made commitments for programming; The decision to make a drawdown from the Operational Reserve shall rest solely with the Administrator, who will report all drawdowns to the Executive Board at its next regular session and between sessions, to Members of the Executive Board as may be prescribed by the Board or whenever the situation in the Administrator's opinion so merits; (b) A fully funded Reserve for Field Accommodations, for housing for internationally recruited, United Nations field personnel and, exceptionally, for office accommodation. The Administrator shall report annually to the Executive Board on the status of the Reserve; (c) Such other reserves as may be approved by the Board.	(iii) Increases in actual costs as compared to planning estimates or fluctuations in delivery; and (iv) Other contingencies which result in a loss of resources for which UNDP has made commitments for programming; The decision to make a drawdown from the Operational Reserve shall rest solely with the Administrator, who will report all drawdowns to the Executive Board at its next regular session, and between sessions, to the members of the Executive Board as may be prescribed by the Board or whenever, in the opinion of the Administrator, the situation so merits; (b) An Other Resources Reserve, the purpose of which is to ensure that financial risks associated with other resources activities are prudently managed. The decision to make a drawdown from the Other Resources Reserve shall rest solely with the Administrator, who will report all drawdowns to the Executive Board at its next regular session and between sessions, to the members of the Executive Board as may be prescribed by the Board or whenever, in the opinion of the Administrator, the situation so merits. (c) A fully funded Reserve for Field Accommodation, for housing for internationally recruited, UNDP-financed field personnel and, exceptionally, for office accommodation. The terms and conditions under which the Administrator may agree to such loans shall be established by the Executive Board. The	

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	Administrator shall report annually to the Executive Board on the status of such loans; (d) Such other reserves as may be approved by the Board.	
Regulation 13.7: The specific advance approval of the Executive Board shall be required for any loan not clearly authorized under the provisions of these Regulations.	Regulation 25.07: The specific advance approval of the Executive Board shall be required for any loan of UNDP resources not authorized under the provision of these Regulations.	
Regulation 13.7: The specific advance approval of the Executive Board shall be required for any loan not clearly authorized under the provisions of these Regulations.	Regulation 25.08: The Administrator may establish such credit facilities as are normally needed in the course of operational activities, such as commercial letters of credit. Such credit facilities shall be fully collateralized so as to avoid any borrowing of resources.	
	Article 26: Accounting	
Regulation 16.1: The Administrator shall submit accounts biennially in respect of the UNDP Accounts, showing:	Regulation 26.01: The Administrator shall submit financial statements biennially in respect of the UNDP Regular Resources Account, the Other Resources Account and in respect of all Funds and Programmes administered by UNDP, in accordance with the United Nations System Accounting Standards showing:	
(a) The income and expenditures;	(a) Income and expenditures;	
(b) The assets and liabilities;	(b) Assets and liabilities, reserves and resource balances; (c) Statement of cash flows;	

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	(d) Movement in resource balances;	
(c) The status of allocations for programme activities and the amounts charged against those allocations; and (d) The status of appropriations approved by the Executive Board for the biennial support budget and the amounts charged against those appropriations.	(e) The status of allocations for UNDP programme activities and the amounts charged against those allocations; (f) The status of appropriations approved by the Executive Board for the biennial support budget and the amounts charged against those appropriations.	
The Administrator shall also give such other information as may be appropriate to indicate the current financial position and shall maintain such accounts and records as are necessary to report to the Executive Board and the General Assembly on the financial status of funds administered by UNDP.	The Administrator shall also give such other information as may be appropriate to indicate the current financial position and shall maintain such accounting records and other records as are necessary to report to the Executive Board and to the General Assembly on the financial status of Funds and Programmes administered by UNDP.	
Regulation 16.2: The accounts shall be presented in United States dollars. Accounting records may, however, be kept in such currency or currencies as the Administrator may deem necessary.	Regulation 26.02: The financial statements shall be presented in United States dollars. Accounting records may, however, be kept in such currency or currencies as the Administrator may deem necessary.	
Regulation 12.3: Separate accounts shall be maintained for all reserves within the UNDP Account and for each Fund, Programme, other accounting entity and trust fund administered by UNDP.	Regulation 26.03: Separate accounting records shall be maintained for all reserves within the UNDP Accounts.	
Regulation 4.18: Miscellaneous income shall be credited to the UNDP Account, as defined in Regulation 2.2 U (I), or to such other funds administered by	Regulation 26.04: Miscellaneous income shall be credited to the relevant UNDP Account to which the income accrued or from which it derived.	

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UNDP to which the income accrued or from which it derived. Regulation 6.4: The financial period for the purpose of incurring and accounting for expenditures in respect of programme activities, including reimbursement of related agency support costs, shall consist of a single calendar year. Regulation 14.4: The Administrator may, after full investigation, authorize the writing-off of losses of cash, stores and other assets, provided that a statement of all such amounts written off shall be submitted to the Board of Auditors with the accounts. The Administrator may establish, from time to time, an amount below which full investigation and formal write off are not required. Such amounts shall, for administrative efficiency, be charged directly to the relevant allotment/budget line. Regulation 5.1: Trust funds may be established by the Executive Board or by the Administrator for specified purposes consistent with the policies, aims and activities of UNDP. Trust funds which directly or indirectly involve additional financial liability for UNDP shall be established only by the Executive Board. Trust funds established by the Administrator shall be reported in detail to the Executive through the Advisory Committee.	Regulation 26.05: The financial period for the purpose of incurring and accounting for expenditures in respect of UNDP programme activities, including reimbursement of related agency support costs, sha!! consist of a single calendar year. Regulation 26.06: The Administrator may, after full investigation, authorize the writing-off of losses of cash, stores and other assets, provided that a statement of all such amounts written off shall be submitted to the Board of Auditors with the accounts. The Administrator may establish, from time to time, an amount below which full investigation and formal write-off are not required. Such amounts shall, for administrative efficiency, be charged directly to the relevant allotment/budget line. Regulation 26.07: All trust funds shall be reported in detail to the Executive Board through the Advisory Committee.	

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Regulation 16.3: The accounts shall be submitted by the Administrator, not later than 30 April of the year following the end of each biennium, to the United Nations Board of Auditors for examination and opinion.	Regulation 26.08: The financial statements shall be submitted by the Administrator, not later than 30 April of the year following the end of each biennium, to the United Nations Board of Auditors for examination and opinion.	
	Chapter H: Definitions **Article 27: Definitions**	
Regulation 2.1: For the purpose of the Financial Regulations of UNDP, the following definitions of the main entities involved in the activities of UNDP shall apply: (a) "UNDP" shall mean the United Nations Development Programme established by resolution 2029 (XX) of the United Nations General Assembly; (b) "General Assembly" shall mean the General Assembly of the United Nations; (c) "Executive Board" shall mean the Executive Board of UNDP; (d) "Advisory Committee" shall mean the Advisory Committee on Administrative and Budgetary Questions; (e) "Secretary-General" shall mean the Secretary-General of the United Nations or the official to whom the Secretary-General has delegated authority and responsibility for the matter in question;	Regulation 27.01: For the purpose of the Financial Regulations of UNDP, the following definitions of the main entities involved in the activities of UNDP shall apply: (a) "UNDP" shall mean the United Nations Development Programme, established by General Assembly resolution 2029 (XX) of 22 November 1965; (b) "General Assembly" shall mean the General Assembly of the United Nations; (c) "Executive Board" shall mean the Executive Board of UNDP; (d) "Advisory Committee" shall mean the Advisory Committee on Administrative and Budgetary Questions; (e) "Secretary-General" shall mean the Secretary-General of the United Nations or the official to whom the Secretary-General has delegated authority and responsibility for the matter in question;	

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(f) "Administrator" shall mean the Administrator of UNDP or the official to whom the Administrator has delegated authority and responsibility for the matter in question;	(f) "Administrator" shall mean the Administrator of UNDP or the official to whom the Administrator has delegated authority and responsibility for the matter in question;	
(g) "Government" shall mean the Government of a State Member of the United Nations or of a Specialized Agency or of the International Atomic Energy Agency. Within these Regulations, the term "Government" has also been used in conjunction with the following:	(g) "Government" shall mean the Government of a State Member of the United Nations or of a specialized agency or of the International Atomic Energy Agency. Within these Regulations, the term "Government" has also been used in conjunction with the following:	
(i) "host" Government shall mean the Government, as defined above, of a country within whose legal boundaries an office of UNDP is located, or which receives programme support and administrative services from a UNDP office located elsewhere;	(i) "host" Government shall mean the Government, as defined above, of a country within whose legal boundaries an office of UNDP is located, or which receives administrative services from a UNDP office located elsewhere;	
(ii) "recipient" Government shall mean the Government, as defined above, of a country which receives UNDP assistance to projects. Within these Regulations, this term has been used to apply, mutatis mutandis, to all entities entitled, as a result of an Executive Board decision, to receive UNDP assistance;	(ii) "programme country Government" shall mean the Government of a country or territory which, as a result of an Executive Board decision, is eligible to benefit from UNDP programme activities;	
(h) "executing agency" shall mean an entity, to which the Administrator has entrusted the overall management, by national government authorities or by a United Nations agency, of a programme/project, along with the assumption of responsibility and accountability for the production of outputs, achievement of programme/project objectives and for the use of	(h) "executing entity" shall mean the entity responsible for the overall management of a specific UNDP programme activity, including accountability for the production of outputs, achievement of objectives and for the use of UNDP resources.	

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UNDP resources; and shall include the following: (i) A recipient Government or Governments; (ii) Organizations of the United Nations system, i.e. the United Nations, the specialized agencies, the International Atomic Energy Agency, other organizations that are or become part of the United Nations system, and the United Nations Office for Project Services. These organizations are referred to as participating and executing agencies; (iii) A governmental or intergovernmental institution or agency not part of the United Nations system; and (iv) UNDP itself. Where the provisions of a Regulation apply to only one or some of the categories of executing agencies referred to above, the Regulation so specifies. (i) "implementing agency", if other than the executing agency, shall mean an entity engaged by and accountable to the executing agency to procure and deliver programme/project inputs and their conversion into programme/project outputs. E (ii) "Fund" shall mean an independent accounting entity, established by resolution of	(i) "Fund" or "Programme" shall mean an independent accounting entity, established by	

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an appropriate legislative organ, which resolution specifies in whom responsibility for both executive direction and legislative guidance is vested; (See also "Programme"); and	resolution of an appropriate legislative organ, which resolution specifies in whom responsibility for both executive direction and legislative guidance is vested.	
P (iii) "Programme" shall mean an independent accounting entity, established by resolution of an appropriate legislative organ, which resolution specifies in whom responsibility for both executive direction and legislative guidance is vested. (See also "Fund");	(j) "Programme": see Fund, (i) above.	
Regulation 2.2: For the purposes of the Financial Regulations of UNDP, the following definitions in respect of specific terms used shall apply. These terms are listed in alphabetical sequence.	Regulation 27.02: For the purposes of the Financial Regulations of UNDP, the following definitions of specific terms used shall apply. These terms are listed in alphabetical order.	
A (i) "agency support costs" shall mean the expenses incurred by an executing agency as a result of its administration of programme activities financed from UNDP funds;		
(ii) "allocation" shall mean a financial authorization issued by the Administrator to an executing agency to incur expenditures and commitments for specific purposes related to programme activities and within specified limits, during a definite period;	allocation - a financial authorization issued by the Administrator to incur expenditures and commitments for specific purposes relating to UNDP programme activities and within specified limits, during a definite period;	
(iii) "allotment" shall mean a financial authorization issued by the Administrator to an official or to a unit to incur obligations for	allotment - a financial authorization issued by the Administrator to an official or to a unit to incur obligations for specific purposes relating	

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specific purposes related to the biennial budget and within specified limits, during a definite period;	to the biennial support budget and within specified limits, during a definite period;	
(v) "appropriations" shall mean the total amount approved by the Executive Board for specified purposes for the current biennial budget against which obligations may be incurred for those purposes up to the amounts so approved.	appropriations - the total amount approved by the Executive Board for specified purposes for the current biennial support budget against which obligations may be incurred for those purposes up to the amounts so approved. The appropriations are divided into "appropriations lines", for each of which a specific amount is shown in the appropriate decision adopted for each biennium by the Executive Board and within which the Administrator is authorized to make transfers without prior approval;	
(iv) "appropriation line" shall mean a subdivision of the appropriations for which a specific amount is shown in the appropriations resolution and within which the Administrator is authorized to make transfers without prior approval; and	appropriation line - a subdivision of the appropriations for which a specific amount is shown in the appropriate decision and within which the Administrator is authorized to make transfers without prior approval;	
B (i) "biennial budget" shall mean the budget to cover programme support and administrative services costs of UNDP.	biennial support budget - the budget covering the costs of UNDP relating to programme support, management and administration, and support to operational activities of the United Nations; balance of resources - the available resources on a given date;	
C (i) "capital assets" shall mean assets intended for long-continued use or possession, e.g. , land,	capital assets - assets intended for long-continued use or possession, e.g., land,	

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buildings and non-expendable equipment; (ii) "commitment" shall mean an engagement involving a liability against resources of one or more future *years;* (iii) "contribution" shall mean cash or in-kind assistance provided by a Government, by a governmental or intergovernmental institution or agency not part of the United Nations system, or by nongovernmental sources, including civil society organizations and entities from the private sector, as well as from individuals. Contributions cover programme costs as well as programme support and administrative services, including costs associated with the administration of contributions received for special purposes; (iv) "contribution-in-cash" shall mean payment made in cash received by UNDP; (v) "contribution-in-kind" shall mean the provision of goods and services including capital assets received by UNDP; (vii) "cost sharing" shall mean an arrangement by which costs of projects that are normally charged to an IPF and the reimbursement of the related agency support costs are covered in full or in part by a contribution from the recipient Government or Governments, one or more	buildings and non-expendable equipment; commitment - an anticipated or contingent liability against resources of one or more future years; committing officer - a UNDP staff member who has been delegated the authority to commit UNDP resources and has accepted accountability for it; contribution - cash or in-kind resources (the latter being in the form of goods,services, or real property) provided to UNDP. Contributions are used to cover UNDP programme activities as well as programme support, management and administration, and support to operational activities of the United Nations, including costs associated with the administration of contributions received for special purposes; cost-sharing - a co-financing modality under which contributions from Other resources can be received as a supplement to Regular resources for specific UNDP programme activities, under the relevant cooperation framework;	

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Governments other than the recipient Government or Governments, or an organization of Governments, or organizations of the United Nations system, or from inter-governmental institutions, or agencies not part of the United Nations system. Such arrangements may be made on the following basis: - Project cost sharing whereby the contribution relates to a specific project; - Programme cost sharing whereby the contribution does not relate to a specific Project but to all or several projects in a recipient country or region; and - Third party cost sharing, which can be either project or programme cost sharing, whereby the contribution is paid by one or more entities other than the recipient Government or Governments.		
(vi) "country programme" shall mean the programme of UNDP technical co-operation in a particular country, prepared by the Government of that country, in collaboration with the United Nations system, indicating the proposed use of UNDP resources towards the achievement or furtherance of selected national development objectives during the period covered by the country programme;	country cooperation framework - the framework for UNDP programme activities in a particular country, prepared by the Government of that country, indicating the proposed use of UNDP resources towards the achievement of selected national development objectives during a specific period;	
D (i) "disbursement" shall mean the actual amount paid.	disbursement - the actual amount paid;	
E (i) "ex-gxatia payment" shall mean a payment made where there is no legal liability but the	*ex gratia* payment - a payment made where there is no legal liability but the moral	

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moral obligation is such as to make payment justifiable; (iii) "execution" shall mean the overall management, by national government authorities or by a United Nations agency, of the programme/project, along with the assumption of responsibility, and accountability for the production of outputs, achievement of programme/ project objectives and for the use of UNDP resources. (ii) "expenditure" shall mean total charges incurred whether paid or unpaid, i.e. the sum of disbursements and unliquidated obligations for the current year in respect of programme activities and for the biennium in respect of the biennial budget; and F (i) "fully funded basis" shall mean that funds are available in the form of cash on hand or an irrevocable letter of credit; (iii) "funds administered by UNDP" shall include funds in the UNDP Account and funds of trust funds established by the Executive Board or the Administrator, as well as funds of Programmes, Funds, other entities and trust funds established by the General Assembly or the Secretary-General and entrusted to UNDP for administration, i.e. , to the Executive Board for legislative guidance or to the Administrator for executive direction.	obligation is such as to make payment justifiable; execution - the overall management of specific UNDP programme activities and the acceptance of accountability to the Administrator for the effective use of UNDP resources; expenditure - total charges incurred whether paid or unpaid, i.e., the sum of disbursements and unliquidated obligations for the current year in respect of UNDP programme activities and for the biennium in respect of the biennial support budget;	

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G	global cooperation framework - the framework for UNDP programme activities of worldwide significance; indicates the proposed use of UNDP resources towards the achievement of the global development objectives concerned;	
H		
I (i) "Indicative Planning Figure (IPF)" shall mean an order of magnitude of the resources expected to be available from UNDP during a specified period for the financing of assistance to country and intercountry projects; (ii) "intercountry", shall mean activities carried out on a regional, interregional or global basis; (iii) "Intercountry programme" shall mean the programme of UNDP technical co-operation in a particular intercountry, subdivision, as defined in (ii) above, prepared by the Administrator, on the basis of principles laid down by the Executive Board, in collaboration with the Governments concerned and with the United Nations system, indicating the proposed use of UNDP resources towards the achievement or furtherance of the development objectives of the intercountry subdivision concerned; and		
(iv) "implementation" shall mean the procurement and delivery of programme/project inputs and their conversion into programme/project outputs.	implementation - the procurement and delivery of UNDP programme activity inputs and their use in producing outputs;	

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J K L		
	liquidity - the difference between current assets and current liabilities. In the specific context of UNDP, this shall normally be taken to mean the sum of working capital and reserves;	
M		
	management and administration of the organization - the activities of UNDP organizational units whose primary functions are the maintenance of the identity, direction and well-being of the organization. This shall typically include units that carry out the functions of executive direction, policy and evaluation, external relations, information, planning and resource management, finance and administration, and audit;	
(i) "micro-capital grant" shall mean the financial assistance provided to an intermediary which includes non-governmental or grass roots organizations in an amount not exceeding $150,000 for each individual grant.		
	management and support services - a range of services, which may include procurement and full financial services, to be provided by UNDP against full reimbursement;	
N		
(i) "non-UNDP funds administered by UNDP" shall include non-UNDP funds entrusted to UNDP for administration and management, such as those under Management Service Agreements (bilateral, development banks, etc.), and agreements with United Nations system organizations and other entities.		
(ii) "national execution" shall mean the acceptance, inter alia, of overall responsibility	national execution - the overall management of UNDP programme activities in a specific	

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for the formulation and management of UNDP-assisted programmes/projects by the recipient country and accountability to the Administrator for the effective use of UNDP resources.	programme country carried out by an eligible national entity of that country;	
Q (i) "obligation" shall mean an engagement involving a liability against the resources of the current year in respect of programme activities and the current biennium in respect of the biennial budget.	obligation - an engagement involving a liability against the resources of the current year in respect of UNDP programme activities and the current biennium in respect of the biennial support budget; other resources - the resources of UNDP, other than Regular resources, which are received for a specific programme purpose, consistent with the policies, aims and activities of UNDP and for the provision of management and other support services to third parties;	
P (i) "partially funded basis" shall mean the authority to allocate funds against anticipated future years' income;	partially funded basis - the allocation of resources against anticipated receipts of future years;	
(ii) "personnel" shall mean staff of the organization and other persons employed by the organization, under other contractual arrangements, to perform services for a programme or project activity or for programme support;	personnel - UNDP staff and other persons engaged by UNDP under other contractual arrangements to perform services for UNDP programme activities or for programme support;	
(iv) "programme" within the context of the form of presentation of the biennial budget shall mean the grouping of costs associated with an activity, of a programme support and administrative services nature;	programme support - within the context of the form of presentation of the biennial support budget, organizational units whose primary function is the development, formulation, delivery and evaluation of UNDP programme activities. This will typically include units that	

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	provide backstopping of UNDP programme activities either on a technical, thematic, geographic, logistical or administrative basis;	
(v) "programme activities" shall mean activities directly associated with the planning, programming and implementation of UNDP assistance through country, regional, interregional and global projects and shall be distinguished from activities of a programme support and administrative services nature; (vi) "programme support and administrative services" shall include those activities that are undertaken by UNDP to provide management, technical, administrative, financial and logistical support to its programme activities; (vii) "project" shall mean a separately identified development undertaking of one or more Governments and assisted by UNDP and; (viii) "project document" shall mean the formal document, including revisions thereof, covering the agreed arrangements for the implementation of the project which includes, inter alia, a budget for UNDP assistance to the project.		
Q R	regional cooperation framework - programme activities of a regional significance. A regional cooperation framework shall include the budget of resources to be used towards the achievement of the regional development objectives concerned; regular resources - the resources of UNDP that	

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	are co-mingled and untied. These will include voluntary contributions, contributions from other governmental, intergovernmental or non-governmental sources and related interest earnings and miscellaneous income; resources administered by UNDP - all contributions received and all income earned by UNDP;	
S (i) "Special Programme Resources", shall mean the amount of resources set aside during the current planning period to finance such programme activities as may be determined by, the Executive Board.	support costs - the reimbursable expenses incurred by an entity as a result of its implementation of UNDP programme activities.	
T	target for resources assignment from the core, i.e., regular resources (TRAC) - the order of magnitude of the regular resources expected to be available from UNDP during a specified period for the financing of UNDP programme activities at the country level;	
(i) "trust fund" shall mean funds which are accepted by UNDP under the terms of these Financial Regulations to finance activities specified by the contributor, which activities must be consistent with the policies, aims and activities of UNDP.	trust fund - a separate accounting entity under which UNDP receives contributions to finance UNDP programme activities specified by the contributor;	

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U (i) "UNDP Account" shall mean the Account established for the purposes of accounting for all income to UNDP, which excludes funds of trust funds established by the Executive Board or the Administrator and funds of Programmes, Funds, other entities and trust funds established by the General Assembly or the Secretary-General and entrusted to UNDP for administration, and all expenditures made by or on behalf of UNDP against that income;	UNDP Accounts - the Accounts established for the purposes of accounting for the receipt and use of all resources entrusted to the Administrator and activities thereby financed, and shall include: (a) The Regular Resources Account, which shall include all regular resources of UNDP, activities thereby financed, and related income; and (b) The Other Resources Account, which shall include all other resources of UNDP, activities thereby financed, and related income; and (c) The UNDP Funds Account, which shall include all resources received by Funds and Programmes entrusted to the Administrator, activities thereby financed, and related income; UNDP programme activity or activities - activities funded from UNDP resources and directly associated with the accomplishment of the UNDP mandate, through projects or supports to national programme frameworks (or coherent sets of interrelated policies, strategies, activities and investments designed to achieve a specific time-bound national development objective or set of objectives). UNDP programme activities are planned and carried out through the means of a signed project document or programme support document and its revisions, covering the agreed arrangements for the implementation of UNDP programme	

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	activities; UNDP resources - resources credited to the UNDP Regular Resources Account or Other Resources Account and therefore excludes resources credited to the UNDP Funds Account;	
(iv) "unliquidated obligation' shall mean an obligation or that portion of an obligation which is not yet disbursed. (ii) "UNDP assistance to a project" shall mean the contribution to a project which is funded from the UNDP Account; (iii) "UNDP funds" shall include all sources of income which are credited to the UNDP Account;	unliquidated obligation - an obligation or that portion of an obligation which is not yet disbursed;	
V	verifying officer - a UNDP staff member who has been delegated the authority to verify payments against UNDP resources and has accepted accountability for it; voluntary contributions - contributions to UNDP regular resources from Governments of States Members of the United Nations, of the specialized agencies or of the International Atomic Energy Agency;	
W	working capital - the residual of cash flows into and out of UNDP used to provide advances to executing entities, fund unliquidated obligations and pay ongoing administrative expenses.	

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X Y Z		